

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2015-025-00437R

Parcel No. 15-35-226-011

John R. Gilliland,
Appellant,

v.

Dallas Board of Review,
Appellee.

Introduction

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on April 7, 2016. John R. Gilliland was self-represented. Dallas County Assessor Steve Helm represented the Board of Review.

Gilliland is the owner of a residential, one-and-a-half-story home located at 28891 Hickory Ridge Drive, Van Meter. The home, built in 2011, has 4132 square feet of living area. It also has a full, walkout basement with 2200 square feet of living-quarters finish, an open front porch, two decks, and an attached three-car garage. There is also a 990 square-foot detached garage with 360 square-feet of unfinished attic area, which was built in 2014. The site is 2.05-acres.

The property's January 1, 2015, assessment was \$762,970. Gilliland protested to the Board of Review claiming the assessment was not equitable as compared with assessments of other like property under Iowa Code section 441.37(1)(a)(1)(a). The Board of Review reduced the assessment to \$706,270.

Gilliland then appeal to PAAB asserting the correct assessment is \$635,000.

Findings of Fact

Gilliland purchased the site in August 2009 for \$131,900. He then built a custom home, which had a cost of roughly \$655,676. In 2014, he contracted to have a three-car detached garage built, which included an unfinished attic area. (Ex. 5-7). The contract amount of the garage was \$78,980. (Ex. 8). Including the lot, as well as the detached garage built in 2014, the total cost of construction was roughly \$866,500. We note his 2015 assessment is roughly \$160,000 or 18.5% less than his actual construction costs. Gilliland asserts his assessment increased dramatically after the completion of the garage and does not believe it contributes to the overall value to the extent his assessment was raised.

Gilliland submitted a total of fourteen comparable properties to the Board of Review and PAAB for his inequity claim. He provided printouts from the assessor's office of each of the comparable properties, as well as a short testimonial on several of the properties. Many of the properties have a variance in the location and site size compared to the subject property, as well as year built, which would affect the assessed values. Moreover, of all of the sales, only four occurred in 2014. For inequity claims, sales from the prior year are compared to the current assessment to determine an assessment/sales ratio. Because only the 2014 sales are relevant for the inequity analysis, we summarize those in the chart below.

Address	2015 Assessed Value	Sale Price	Sale Date	Year Built	Gross Living Area	Basement Finish/Quality	2015 AV/SF	AV/SP Ratio
Subject	\$706,270	N/A	N/A	2011	4132	2200 LQ	\$171	N/A
1 - 6850 Reed Ln, WDM	\$581,370	\$605,000	Nov-14	2010	2924	1680 LQ	\$199	0.96
2 - 35169 Vintage Trl, Waukee	\$479,570	\$589,000	Sep-14	1988	4621	None	\$104	0.81
3 - 32531 Wildwood Dr	\$453,410	\$427,000	May-14	1990	4028	1500 LQ	\$113	1.06
4- 31270 Chardonnay Pt, Waukee	\$556,200	\$535,000	Feb-14	1999	3363	900 LQ	\$165	1.04

These sales suggest an assessment/sales ratio range of 0.96 to 1.04, putting the median ratio at 1.00 (meaning properties are assessed at market value).

These sales also have some distinguishing characteristics from the subject property. Sales 2, 3, and 4 are between twelve and twenty-three years older than the subject property and are all situated on smaller sites than the subject property. Only Sale 2 features a detached garage in addition to an attached garage; however, this sale also lacks any basement finish. Moreover, the notes on the printout for this property indicate the home is dated with standard carpeting throughout.

Sale 1 is the most similar in age to the subject property; however, it is located in a different development that may have different appeal, has a smaller lot than the subject property, and does not have an additional three-car garage like the subject property.

Gilliland did not submit any evidence of the fair market value of his property, which is also required to apply an assessment/sales ratio analysis.

The Board of Review did not submit any evidence.

Conclusions of Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case.

§ 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount.

§§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it.

§ 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct.

§ 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination."

Id. at 711. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

Gilliland offered fourteen properties he considered comparable to his for an equity analysis. Only four of the properties sold in 2014 and can be considered for an equity analysis for the 2015 assessment year. Gilliland also failed to submit any evidence of the market value of his property, which is necessary for an assessment/sale ratio analysis in a claim of inequity. Lastly, Gilliland did not assert that the Assessor

failed to uniformly apply an assessing method to similarly situated or comparable properties.

For the foregoing reasons, the Board finds that Gilliland failed to show his property is inequitably assessed as compared to like properties.

Order

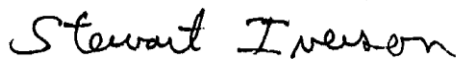
IT IS THEREFORE ORDERED that the Dallas Board of Review's action is affirmed.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

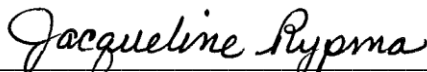
Dated this 4th day of May, 2016



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

John R. Gilliland

Steve Helm